

INDIA.~~CONFIDENTIAL~~Economic and Political Digest - December 1953**U.S.A. MILITARY AID
TO PAKISTAN.**

During the month under review the controversy regarding the alleged U.S.A. Military Aid to Pakistan over-clouded every other issue of national or international importance. In reply to Prime Minister's statement that "It is a step not only towards war, even world war, but a step which will bring war right to our doors," the Pakistan Prime Minister retorted "Pakistan was made of sterner stuff and would not be cowed down by the browbeating, blustering and swash-buckling of anyone."

According to the Pakistan press, the Turkish President, King Fazal of Iraq, the Egyptian President and King Saud of Saudi Arabia, were reported to have accepted invitation to visit Pakistan early this year. The Prime Ministers of Canada, Burma and Ceylon are also likewise reported to have accepted Pakistan Prime Minister's invitation. It is generally believed that the foreign dignitaries have been invited to canvas support for the reported U.S.-Pakistan military pact.

A section of the Indian press reports that American technicians have already taken over the charge of one of the Arsenal Factories in Pakistan while a large number of U.S. military officers are said to be on their way to train Pakistan army in modern warfare.

**INDO-RUSSIAN TRADE
AGREEMENT.**

Despite repeated official denials, reports keep circulating that the trade agreement recently signed with Russia may lead to a military pact if the reported U.S. Military Aid to Pakistan is confirmed. Apart from the political significance that is being attached to the trade agreement all sorts of rumours keep cropping up regarding its economic importance. The latest news in this direction which is creating quite a stir is that Russian petroleum products, particularly, kerosene oil and petrol will soon flood the Indian markets at cut-throat prices.

**CHARTERED BANK AND
THE NATIONAL CITY
BANK.**

Following the Centenary celebration of the Chartered Bank of India, Australia and China, observed by the Indian branches by holding receptions, the National City Bank of New York has come out with large-size advertisement in the Indian press marking "50 Years of Its Operation in India". A cutting of the advertisement is enclosed.

U.S. ECONOMIC AID.

The first operational agreement between India and the U.S.A. under the 1953-54 T.C.A. Programme, which was signed in New Delhi on the 24th December has elicited much more attention and appreciation than any similar agreements in the past. The special feature of this agreement is that it is for the first time that direct economic aid as distinguished from technical aid has been provided to India by the U.S.A. According to the U.S.A. Ambassador, this feature constituted a landmark in the Indo-U.S. technical co-operation.

New Delhi,
4th January 1954.

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